



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB3332

Introduced 2/24/2011, by Rep. Raymond Poe

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/7-209

from Ch. 108 1/2, par. 7-209

30 ILCS 805/8.35 new

Amends the Illinois Municipal Retirement Fund (IMRF) Article of the Illinois Pension Code. Authorizes the board of trustees of the Illinois Municipal Retirement Fund to adopt rules specifying a separate interest rate that will apply to voluntary additional contributions made by employees. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB097 10852 JDS 51356 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing  
5 Section 7-209 as follows:

6 (40 ILCS 5/7-209) (from Ch. 108 1/2, par. 7-209)

7 Sec. 7-209. Earnings and Interest.

8 (a) Balances at the beginning of each year which remain in  
9 employee reserves at the end of the year shall be credited with  
10 interest annually at the prescribed rate, except for those  
11 amounts due to the additional contributions made under  
12 subparagraph 2 of paragraph (a) of Section 7-173.

13 (b) Balances at the beginning of each year which remain at  
14 the end of the year in employee accounts due to additional  
15 contributions made under subparagraph 2 of paragraph (a) of  
16 Section 7-173 shall be credited annually at a rate of interest  
17 fixed by the Board, not to exceed the prescribed rate.

18 (c) ~~(b)~~ Municipality reserves shall be charged or credited,  
19 as the case may be, with interest at the prescribed rate  
20 applied to the balance therein at the beginning of the year.

21 (d) ~~(e)~~ Municipality accounts receivable shall be charged  
22 with interest at a rate of 1/2% per month before July 1, 1984,  
23 and 1% per month thereafter on the balance therein unpaid one

1 month or more. The unpaid balance shall include charges  
2 established retroactively because of failure of the  
3 municipality to report amounts which should be receivable.  
4 Credit balances shall be disregarded in this calculation.

5 (e) ~~(d)~~ The annuity total and permanent disability reserves  
6 shall be credited with interest at the prescribed rate at the  
7 end of each year. For purposes of this computation, the  
8 prescribed rate shall be applied to the balances therein at the  
9 beginning of the year.

10 (f) ~~(e)~~ Amounts credited or charged under subsection (a),  
11 (b), (c), ~~or~~ (d), or (e) of this Section shall be charged or  
12 credited to the earnings and experience variation reserve. Any  
13 remaining balance, in excess of the contingency balance  
14 established, shall be transferred to the municipality reserves  
15 in proportion to present values of the annuities of the  
16 annuitants of each participating municipality and  
17 participating instrumentality plus the balance in their  
18 municipality reserve.

19 (g) ~~(f)~~ The Board shall fix the rate of interest, to be  
20 charged on back, retroactive, or reinstatement contributions.

21 (Source: P.A. 89-136, eff. 7-14-95.)

22 Section 90. The State Mandates Act is amended by adding  
23 Section 8.35 as follows:

24 (30 ILCS 805/8.35 new)

1       Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8  
2       of this Act, no reimbursement by the State is required for the  
3       implementation of any mandate created by this amendatory Act of  
4       the 97th General Assembly.

5       Section 99. Effective date. This Act takes effect upon  
6       becoming law.